



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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FLORIDA MINIMUM WAGE INCREASING TO \$10.00 AN HOUR SEPTEMBER 30TH

On November 3, 2020, Florida voters approved Amendment 2 to the Florida Constitution which will gradually increase the Florida minimum wage to \$15 an hour. Starting this year, the minimum wage will increase each September 30th for the next 5 years until the minimum wage reaches \$15.00 an hour.

This is a big change for Florida businesses because usually increases to the minimum wage are smaller and happen only in January.

The first scheduled increase raises the Florida minimum wage to \$10.00 an hour and goes into effect September 30, 2021. Businesses must pay all employees at least the state minimum wage.

Tipped employees (like food servers) must also be paid the new \$10.00 minimum wage, but employers can take a tip credit of \$3.02 per hour towards their minimum wage obligation for tipped employees.

The minimum cash wage that employers must pay tipped employees will be \$6.98 starting September 30, 2021. But if this \$6.98 an hour wage plus the employee's tips is less than the minimum wage of \$10 an hour, employers must make up the difference.

Until September 30th, the Florida minimum wage remains \$8.65 an hour and \$5.63 an hour

for tipped employees.

All Florida businesses are required to post a Florida-specific minimum wage poster at their business where employees can see it, even if all employees are paid more than the minimum wage.

One of the best benefits of your company's continued FUBA membership is that we provide you with updated workplace posters free of charge. **Your new Florida minimum wage poster is included in this mailing.** Please post it at your business when you receive it to be in compliance with state law.

Additional copies of this poster are free for FUBA members. You can print posters from the Publications section of our website at **FUBA.org** or you can request additional color copies by emailing us at **FUBA@fuba.org**.

If you have any questions about the new Florida minimum wage effective September 30th, please call the FUBA offices at 800-262-4483 and ask for Karen or Mallory or email us at **FUBA@fuba.org**.

REMINDER: NEW FLORIDA SALES TAX METHOD STARTS SEPTEMBER 30TH

The deadline for businesses to start using the new rounding method to calculate sales tax in Florida is September 30, 2021. For decades, Florida has used a bracket system to calculate sales tax for transactions that fall below or in

between whole dollar amounts. Starting September 30th, Florida will require businesses to use a rounding method instead of the bracket system to calculate the amount of sales tax due on a transaction.

With this new rounding method, businesses must:

- Compute the sales tax by multiplying the amount of the transaction (either the total transaction or each individual item) by the appropriate sales tax percentage;
- Compute the tax to the third decimal place; and
- Round up to the next whole cent when the third decimal place is greater than 4.

Examples:

- \$5.045 of tax due rounds up to \$5.05 tax due (because the third decimal place is greater than 4)
- \$3.213 of tax due rounds to \$3.21 tax due (because the third decimal place is not greater than 4)

When computing sales tax, remember that almost all counties in Florida charge an extra local sales tax of either .5%, 1%, or 1.5%. This gets added to the 6% state tax, making the total sales tax charged either 6.5%, 7%, or 7.5%, depending on the county where the sale is taking place.

For more information, visit the Department of Revenue's website: floridarevenue.com.

NEW DIRECT PPP LOAN FORGIVENESS PORTAL

The US Small Business Administration has opened an online portal for small businesses to apply for PPP loan forgiveness. Until now, the only way to apply for PPP forgiveness was through the bank that administered the loan. This new portal allows you to bypass your bank and go directly to the Small Business Administration for PPP forgiveness.

You must meet 2 important criteria to use the SBA's direct forgiveness portal:

- Your PPP loan must have been \$150,000 or less, AND
- The bank where you got your PPP loan must be signed up with the SBA for direct forgiveness.

If your PPP loan was for \$150,000 or less and you are interested in applying directly with the SBA for forgiveness instead of through your bank, the first step is to see if your lender is participating in direct forgiveness. You can view the SBA's list of lenders by visiting www.sba.gov/document/support-ppp-lenders-participating-direct-forgiveness.

If your bank is not on the SBA's list, or if your PPP loan was for more than \$150,000, you cannot use the SBA's new portal and will have to apply for forgiveness with bank.

If you are eligible to apply for forgiveness on the SBA's portal, you will need the following information:

- Your company's Federal Employer Identification Number (FEIN)
- Your PPP loan number and amount of your loan
- The number of employees you had when you got your PPP loan and how many you have today
- The amount of your PPP loan spent on payroll
- The amount of forgiveness you are requesting (which is the same as the amount of your PPP loan if you spent it on approved expenses)

To access the SBA's direct forgiveness portal step-by-step guide, visit sba-forgiveness-docs.s3-us-gov-west-1.amazonaws.com/SBA-PPP-DF-User-Guide.pdf.

If you have any question about PPP forgiveness, you can ask our experts by calling the FUBA offices at 800-262-4483.